

**STATE FIRE AND TORNADO FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2004**

	January-04				December-03				September-03				Current FYTD	Prior Year FY03	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																
<i>Structured Growth</i>																
Los Angeles Capital	473,835	2.4%	2.3%	1.68%	465,913	2.4%	2.3%	9.12%	436,535	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
<b>Total Structured Growth</b>	<b>473,835</b>	<b>2.4%</b>	<b>2.3%</b>	<b>1.68%</b>	<b>465,913</b>	<b>2.4%</b>	<b>2.3%</b>	<b>9.12%</b>	<b>436,535</b>	<b>2.3%</b>	<b>2.3%</b>	<b>4.99%</b>	<b>16.49%</b>	<b>-1.88%</b>	<b>-21.24%</b>	<b>-6.07%</b>
Russell 1000 Growth				2.04%				10.41%				3.92%	17.08%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>																
LSV	482,712	2.4%	2.3%	2.63%	470,608	2.4%	2.3%	15.66%	416,677	2.2%	2.3%	3.75%	23.15%	-2.25%	8.84%	3.73%
Russell 1000 Value				1.76%				14.19%				2.06%	18.59%	-1.02%	-0.19%	1.05%
<i>S&amp;P 500 Index</i>																
State Street	2,147,254	10.8%	10.5%	1.84%	2,108,750	10.7%	10.5%	12.16%	1,922,673	10.2%	10.5%	2.64%	17.23%	0.23%	-11.28%	-1.69%
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>3,103,801</b>	<b>15.6%</b>	<b>15.0%</b>	<b>1.93%</b>	<b>3,045,271</b>	<b>15.4%</b>	<b>15.0%</b>	<b>12.20%</b>	<b>2,775,884</b>	<b>14.7%</b>	<b>15.0%</b>	<b>3.15%</b>	<b>17.98%</b>	<b>-0.48%</b>	<b>-9.33%</b>	<b>-1.90%</b>
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
<b>SMALL CAP DOMESTIC EQUITY</b>																
<i>Manager-of-Managers</i>																
SEI	1,059,526	5.3%	5.0%	4.64%	1,012,326	5.1%	5.0%	14.82%	945,617	5.0%	5.0%	9.48%	31.55%	0.09%	N/A	N/A
Russell 2000 + 200bp				4.51%				15.07%				9.60%	31.81%	0.36%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,059,526</b>	<b>5.3%</b>	<b>5.0%</b>	<b>4.64%</b>	<b>1,012,326</b>	<b>5.1%</b>	<b>5.0%</b>	<b>14.82%</b>	<b>945,617</b>	<b>5.0%</b>	<b>5.0%</b>	<b>9.48%</b>	<b>31.55%</b>	<b>0.09%</b>	<b>-3.49%</b>	<b>1.64%</b>
Russell 2000				4.34%				14.52%				9.07%	30.34%	-1.63%	-3.30%	0.97%
<b>CONVERTIBLES</b>																
TCW	2,072,402	10.4%	10.0%	2.23%	2,025,651	10.3%	10.0%	9.98%	1,851,333	9.8%	10.0%	1.85%	14.51%	10.23%	-9.51%	3.90%
First Boston Convertible Index				2.01%				8.54%				2.67%	13.68%	15.46%	-3.77%	5.29%
<b>INTERNATIONAL EQUITY</b>																
<i>Large Cap - Active</i>																
Capital Guardian	1,607,469	8.1%	8.0%	1.50%	1,586,707	8.0%	8.0%	13.03%	1,508,615	8.0%	8.0%	8.14%	24.07%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>																
Lazard	208,864	1.0%	1.0%	2.80%	203,212	1.0%	1.0%	14.50%	204,763	1.1%	1.0%	9.92%	29.38%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				4.20%				13.31%				15.95%	36.90%	N/A	N/A	N/A
<i>Small Cap - Growth</i>																
Vanguard	227,405	1.1%	1.0%	4.21%	218,051	1.1%	1.0%	14.06%	198,660	1.1%	1.0%	14.95%	36.64%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				4.20%				13.31%				15.95%	36.90%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,043,739</b>	<b>10.3%</b>	<b>10.0%</b>	<b>1.93%</b>	<b>2,007,970</b>	<b>10.2%</b>	<b>10.0%</b>	<b>13.28%</b>	<b>1,912,038</b>	<b>10.1%</b>	<b>10.0%</b>	<b>8.97%</b>	<b>25.82%</b>	<b>-9.20%</b>	<b>-15.51%</b>	<b>0.27%</b>
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-15.51%	-5.33%
<b>DOMESTIC FIXED INCOME</b>																
<i>Core Bond</i>																
Western Asset	5,049,329	25.3%	25.0%	0.98%	5,000,902	25.3%	25.0%	1.62%	4,862,313	25.8%	25.0%	-0.16%	2.45%	12.77%	11.23%	8.12%
Lehman Aggregate				0.80%				0.32%				-0.14%	0.98%	10.39%	10.07%	7.54%
<i>Index</i>																
Bank of ND	2,703,742	13.6%	15.0%	0.89%	2,679,829	13.6%	15.0%	0.07%	2,659,877	14.1%	15.0%	-0.46%	0.48%	13.26%	10.87%	7.78%
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>																
Strong	2,093,635	10.5%	10.0%	1.09%	2,070,045	10.5%	10.0%	1.46%	2,038,313	10.8%	10.0%	0.02%	2.59%	17.91%	N/A	N/A
Lehman US Credit BAA				1.13%				1.22%				0.27%	2.65%	18.33%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>9,846,706</b>	<b>49.4%</b>	<b>50.0%</b>	<b>0.98%</b>	<b>9,750,775</b>	<b>49.4%</b>	<b>50.0%</b>	<b>1.15%</b>	<b>9,560,503</b>	<b>50.6%</b>	<b>50.0%</b>	<b>-0.21%</b>	<b>1.93%</b>	<b>13.18%</b>	<b>10.80%</b>	<b>7.81%</b>
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
<b>CASH EQUIVALENTS</b>																
Bank of ND	1,811,527	9.1%	10.0%	0.09%	1,909,866	9.7%	10.0%	0.29%	1,834,125	9.7%	10.0%	0.30%	0.68%	1.57%	3.26%	4.15%
90 Day T-Bill				0.08%				0.26%				0.25%	0.59%	1.52%	3.33%	4.08%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>19,937,700</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.45%</b>	<b>19,751,860</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.43%</b>	<b>18,879,500</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.07%</b>	<b>9.18%</b>	<b>7.25%</b>	<b>1.67%</b>	<b>4.94%</b>
POLICY TARGET BENCHMARK				1.29%				4.65%				1.59%	7.69%	7.25%	2.12%	4.52%

NOTE: Monthly returns and market values are preliminary and subject to change.